PERISCOPE

Sharing Power in Reagan's Campaign

To prevent the kind of infighting that plagues President Reagan's White House staff from damaging his probable re-election campaign, White House chief of staff James A. Baker III and Reagan confidant Sen. Paul Laxalt have devised a plan for sharing power during the race. They have agreed that the senator would be the campaign's chief public spokesman while Baker would coordinate strategy from the White House. A political technician would oversee day-to-day operations until the spring of 1984 when, with the campaign approaching its final stage, a prominent Republican like former Transportation Secretary Drew Lewis would take over as campaign manager.

South African Hearts to Go

Dr. Christiaan Barnard, who performed the world's first heart-transplant operation in 1967, now plans to export transplantable hearts from South Africa to Italy. Last year Barnard was approached by a cardiac surgeon from Udine, Italy, about the possibility of acquiring South African hearts for transplant operations. (For various reasons, no transplantable hearts are available in Italy.) Time is the chief obstacle to the export plan: a heart can be kept in transplantable condition for only a few hours after being removed. Once the preservation problem is overcome, Barnard hopes to ship about five hearts a year to Italy. He would send only those whose tissue did not match that of prospective recipients at his own clinic in Cape Town.

Two Debates Over Central America

Will the Reagan administration issue a second white paper on communist activity in Central America? Central Intelligence Agency Director William Casey and other hard-liners are urging the State Department to release a new report that has been prepared by the agency. But senior State Department officials, including Assistant Secretary for Inter-American Affairs Thomas Enders, contend that the draft contains little more than reheated right-wing rhetoric and adds nothing to the national debate over Central America. Secretary of State George Shultz must now decide whether to release the report, have it rewritten or suppress it altogether.

In the wake of Sen. Christopher Dodd's controversial attack on President Reagan's Central American policy, there are signs that Democratic lawmakers fear that such criticism might ultimately tag the Democrats as the party that "lost Central America." Earlier this month, several Democratic senators declined a State Department invitation to tour the region. In the House, some Democrats who supported a bill to cut covert aid to insurgents in Nicaragua are reconsidering. Capitol Hillsources now predict that the final bill will permit the covert aid to continue for the time being. Another indication: New York Democrat Stephen Solarz, normally a caustic critic of Reagan's moves in Central America, seemed eager to be polite to—and occasionally agree with—U.N. Ambassador Jeane Kirkpatrick, a Central America hawk, in a panel discussion last week.

A Violent Forecast for Lebanon

A number of U.S. officials believe that Syrian and Palestine Liberation Organization forces are about to step up their attacks on Israeli troops in Lebanon. A large increase in Israeli casualties could prompt the impatient Israeli public to demand an immediate unilateral Israeli withdrawal from Lebanon. There is already con-

siderable support within the Israeli cabinet for a limited pullback to a zone extending 28 miles north of the Israeli border. Both the United States and Lebanese governments would prefer that the Israelis stay right where they are in order to keep the pressure on Syria to remove its troops.

The President's Unspoken Defense

At his televised press conference last week President Reagan was prepared to answer charges that he had been rambling and confused in discussing Central America during a session with reporters in the Oval Office earlier in the month. Had the matter come up, the president would have attributed his imprecision to the subject. "I was walking through mine fields on a national-security issue," Reagan responded to a practice question during a press-conference rehearsal with his aides last week. "The obvious and safe thing to do was to say nothing. I was trying to be helpful but also wanted not to step in anything." To a mock follow-up question about whether his age is becoming a problem, Reagan deadpanned, "I forget."

A Summer Strategy for the Arms Talks

The Reagan administration will soon move to blunt the impact of the massive anti-Pershing-missile demonstrations expected in Western Europe this summer. The United States will make several serious—and highly publicized—arms-reduction proposals to keep the Soviets on the propaganda defensive. One proposal would impose a limit of 300 warheads on all Soviet SS-20s and on America's European-based Pershing II and ground-launched cruise missiles. In addition, U.S. arms negotiator Paul Nitze probably will try to renew private talks with his Soviet counterpart, Yuli Kvitsinsky; such meetings produced an informal framework—ultimately unsuccessful—for a pact on intermediate-range missiles last fall.

The GOP Assaults the Telethon

Democratic Party officials are crying "foul" over a Republican attempt to interfere with their national telethon this weekend. Republican National Chairman Frank Fahrenkopf has sent out thousands of cablegrams to GOP loyalists urging them to call the Democrats' toll-free pledge numbers and "tell them you support the president." The cablegram charges that "reports reveal entire Democrat telethon will use half-truths, slanted information and distorted man-on-the-street interviews." As Democratic officials see it, the purpose of the campaign is to have angry Republicans tie up the lines to prevent donating Democrats from getting through.

Volcker's Air of Resignation

Federal Reserve Board chairman Paul Volcker has been telling friends that he will "probably not" be reappointed when his current four-year term expires on Aug. 5. Had he been able to lower the Fed's discount rate to 8.5 percent by this week, his chances for reappointment might have improved. A rate drop in advance of the Williamsburg economic summit would have pleased the Reagan administration—which is eager to dampen complaints from European leaders that high U.S. rates are damaging their economies. As recently as two weeks ago, with short-term interest rates falling, a drop in the discount rate seemed a strong prospect. But the sudden explosion in money-supply growth has apparently ruled out the possibility that Volcker will lower the rate in time for the summit.

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